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AN ACCOUNT

OF THE

FRENCH TAXES.

The insufficiency of the revenue having been the principal cause of that revolution in the French government, for which the inequality and injustice of the Taxes had furnished a pretence, the National Assembly were incited, by the joint motives of interest and vanity, to form a new system of taxation, which should be uniform, simple, and intelligible; which should satisfy the people by an appearance of equality, and should promise to be so productive as to prevent the danger of future bankruptcy, if the sale of the forfeited lands and of those of the clergy should prove sufficient to discharge the heavy load of debt already incurred. Accordingly, the first Constituent Assembly undertook this task; their committee of finance, and that of taxation, after long and frequent consultations, presented to them a regular and methodical system (principally founded on the theory of the first *economists*), which was much discussed both without and within the walls of the Assembly, was digested into a law, sanctioned by the king, and finally made public towards the close of the year 1790. And so perfectly were they satisfied with a work which they considered as having for ever established the true principles of finance, and even obviated almost every difficulty of execution, that they were contented to rest on this ground their claim to the gratitude of posterity; and in a triumphant manifesto, under the title of *Addresse aux Français*, which was published on the 28th of July, 1791, offered their labours to the criticism, or rather to the admiration, of the universe.

The burthens imposed on the French nation under the old government may be divided (as we are told by the Assembly) into five general classes, as follows: 1. Direct Taxes, under which they included tithes, tailles, &c. 2. Monopolies; 3. Duties of Excise; 4. Transit duties, customs, &c. and, 5. Stamp duties of various sorts. All of these require a short explanation.

I. Class—*Direct Taxes.*

This class comprehends tithes, *la taille réelle*, *la taille personelle*, *la capitation*, and *les vingtiémes*. The tithes in France, as in England, were usually commuted for a money rent, but they were sometimes levied in kind, and consequently might, if rigorously exacted, sometimes amount to nearly one-third of the net revenue.

The *taille réelle* was a tax on land, confined to certain provinces, and even there was not universal, certain estates having the privilege of exemption.

The *taille personelle*, a second and more general species of land tax, was of two kinds, namely, a tax on property (*taille de propriété*), and a tax on cultivation (*taille d'exploitation*). The first of these did not in any case attach to the privileged orders; the second affected them but slightly, because their meadows, woods, and vineyards, and whatever land was not ploughed, could not be liable to it; and even a certain portion of arable, held in their own hands, was exempted from it.

The *capitation* was complained of as a most unequal and oppressive tax. On those who were subject to the *taille* it was levied with great severity, at the rate of 50 per cent. on the amount of that tax: on artizans in towns it fell as a heavy addition to the contribution they paid for being free of their several companies: on the other citizens, it was levied by an arbitrary valuation, falling very lightly on the several orders of nobility, and in no case affecting the clergy.

The *vingtiémes* were the least unequal of the French taxes on landed property, and in some respects resembled our English land tax. But the clergy were exempted from this also; and as the rich, and particularly the nobility, were permitted to compound for it, it fell with great severity on the poorer classes, who in France were pretty generally landholders.

II. Class—*Monopolies.*

A considerable revenue was derived to the French government by the exclusive right to trade in certain articles of general consumption. Such were salt, the monopoly of which, under the name of *gabelle*, was exercised by government in about two-thirds of the kingdom: the monopoly of snuff, which it carried on throughout almost the whole country: and that of brandy and other liquors, which affected certain provinces. Under the same head might be classed the sums received by the treasury for *les jurandes* (this was a qualification to exercise certain trades, as in the case of our *sworn brokers* and appraisers, &c.) and *les maîtrises*, or exclusive privileges granted to companies or incorporated bodies of artizans, to carry on their trades within a certain district.

III. Class.—*Duties of Excise.*

Such were *les droits d'aides* on spirituous liquors paid, under different names, by the greatest part of the kingdom: duties payable to *les inspecteurs des boucheries*: excise duties on leather: on the manufacture of starch: on cards: on iron, and on oil. All these were levied with great severity.

IV. Class.—*Transit Duties, &c.*

This class comprehended the export and import duties at the customhouses at the frontiers: those at the gates of towns: and a variety of tolls of various denominations, which shackled the intercourse between the several provinces of the kingdom.

V. Class.—*Stamps.*

These were paid on contracts of all kinds, under the various names of *contrôle, greffe, formule,* &c. &c. &c.

Of these sources of revenue very few were compatible with the principles of the Revolution. The direct taxes were complicated, partial, and oppressive; it was therefore necessary to new-model these entirely, because they were intended to form in future the principal resource of government; and indeed, according to the strict principles of the economists, ought to have formed its only resource, so as to preclude the necessity of employing any indirect taxes whatever. Monopolies were so directly contrary to the spirit of equality, that they could not be retained: therefore, as a substitute for them, the Assembly had recourse to annual licences (*patentes*), the payment of which intitled the artizans to exercise their professions wherever they might think fit. Duties of excise were proscribed (to use the expression of the Assembly), *by the holy law of domiciliary liberty*: duties of transit were incompatible with the freedom of internal commerce: this class, therefore, was reduced to the single article of customs on exports and imports payable on the frontiers. Of the fifth class the Assembly availed themselves to a greater extent; indeed they contented themselves with simplifying the duties of this description by reducing them to three, viz. *Le droit d'enrégistrement, le droit de timbre,* and *le droit d'hypothèques.*

Le droit d'enrégistrement, or tax on the registers of all contracts, as leases, marriages, bonds, &c. is a proportional tax, increasing in a determined ratio with the sums contracted for, and consequently falls no less severely on the rich than on the poor. It stands in lieu of sixteen different taxes under as many different names, created by various arrêts,

ordonnances, &c. all of which are modelled into one simple and intelligible law, and accompanied by a book of rates.

The *droit de timbre* (stamp-duty) was added with a view to take advantage of the several offices established by the former government for the collection of such duties.

The *droit d'hypothèques* (tax on mortgages) was intended not only as a measure of finance, but as a security for creditors; it stands in lieu of former regulations to the same effect, which had been found insufficient.

These taxes, together with the produce of the customs, the post-office, the mint, the *marque d'or et d'argent* (plate tax), and the sale of gunpowder (the only monopoly reserved to government), formed the whole of what are called the *impôts indirects*; indeed one of these (*les patentes*) is usually considered as forming a separate class of taxes, called *la contribution mixte*.

We now return to the direct taxes, consisting of *la contribution fonciere*, or land-tax, and *la contribution mobiliaire*, or tax on moveable property, as ascertained by certain articles of expence, and by the rent of houses.

Contribution Fonciere.

The law by which this tax was established was divided into five heads; the first comprehending the principles of the act; the second directing the mode of assessing the contribution; the third stating the exceptions to its operation for the benefit of agriculture; the fourth establishing the mode of procedure in appeals against an unfair assessment; and the fifth enacting the process for levying the tax.

1. *Principles.*

These are,—that all lands whatever (excepting only the cases stated in the third chapter) shall be taxed in proportion to their net revenue; that by net revenue is meant the income remaining to the proprietor, after subtracting from the gross produce the expences of culture, of seed, and of repairs;—that the *imposable* revenue is the *mean* net revenue, calculated on the average of a determined number of years;—that the sum to be raised by this tax shall be annually fixed by the legislature;—and that the tax shall be paid not in kind, but in money.

There is another principle laid down in the *Addresse aux Français*, and which, as it should seem, ought to have been expressed in this part of the act, viz. that no person should be assessed to this tax in a sum exceeding *one-sixth* of his net revenue.

It also appears by the report of the committee of contributions, though it is not men-

tioned in the law, that the *contribution fonciere* was intended to bear at all times some fixed ratio to the total of the national burthens. The ratio proposed by the committee was nearly that of two-fifths.

2. *Mode of Assessment.*

In order to understand the mode of assessment, proposed in this chapter, we must remember that the National Assembly had divided France into eighty-three departments, containing five hundred and forty-four districts, and forty thousand, two hundred and ten communes; each of which, for the purposes of its individual police, was governed by an elective municipality, which was subordinate to a similar administration in every district and department, called a Directory. But for more general purposes, such as the election of representatives, &c. the whole body of *active citizens* were assembled to form *the councils general* of the commune, the district, or the department.

For the assessment of the land tax, a more minute subdivision was thought necessary. Each municipality was directed to make a partition of its territory into a convenient number of *sections*, distinguishing each by an appropriate name. As many commissaries as should be judged necessary, were to be chosen by the municipal council, and an equal number by the council general of the commune, for the purpose of visiting separately each section, and forming a list of the number of tenements in each, with the names of the proprietors, whether individuals or the commune itself. Every proprietor was ordered to give in a written declaration, according to a schedule dictated in the law, of the extent and nature of his property, whether arable, wood-land, pasture, &c. These declarations to be kept in the office of the secretary of the municipality, and to be subject to the inspection of all the proprietors. The commissaries were then to value, *en leur ame et conscience*, the annual revenue of the whole real property within the precincts of the municipality, section by section, for which purpose they were directed to rate all inhabited houses *of one story only* at the value of the rent of the land on which they stood; if of two stories, at double that value, and so on. Empty houses of whatever size, barns, out-houses, &c. to be valued at the simple rent of the land which they occupy, buildings used for manufactures at two-thirds of that value, land covered by buildings being always rated at the highest rent usually given for land in the neighbourhood. The same rule to apply to land in parks or ornamental gardening, mines to pay at the same rate, in proportion to *the surface* occupied by their *roads, works, &c.*; wood-lands, whether in timber or coppice, to be rated at the mean value of the rent they would produce if regularly cut.

Copies of these descriptions, intended for the guidance of the collectors, and called

matrices de rôle, were directed to be transmitted to the administrations of the respective districts and departments, and to the National Assembly.

The other provisions in this chapter, relating to certain feudal rights, &c. are not at all interesting to us; it only remains therefore to be observed, that the directory of the district and that of the department, are severally and specially enjoined to inforce, with all their power, the observance of the foregoing regulations.

3. *Exceptions.*

The taxation of lands in exact proportion to their net revenue, is in some cases impossible, and in others injurious. It is impossible in the case of waste lands, marshes, &c.; it is injurious by discouraging agriculture, when levied on lands reclaimed at a great expence. On the other hand, it was important to know the quantity of land *of every kind*, and it was thought that the surest method of arriving at this knowledge, was to subject all land whatever to some imposition. The Assembly therefore decreed, that all waste or unprofitable lands should contribute at the rate of at least three deniers per acre (about one halfpenny sterling for four acres), and that no proprietor should escape from this very moderate tax, except by a formal renunciation of the property so taxed.

With a view to the improvement of useless lands, it was decreed that they should not become liable to any increase of tax, till after a certain term of years, varying according to the nature of the land reclaimed, and that of the produce which in its improved state it was intended to afford.

The periods assigned were—

For marshes drained and brought into cultivation, twenty-five years; for waste lands brought into a course of crops, fifteen years; for such lands planted with forest trees, thirty years; for vines, mulberries, or fruit trees, twenty years. A similar encouragement was held out for the improvement of such poor lands, already in cultivation, as should be rendered more productive by plantation; but as it was wished that the legislature should be informed of the progress of improvement, and be able to ascertain the date from which an exemption might be claimed, it was required that every proprietor should deliver to his municipality, a description of the lands which he intended to improve or reclaim.

4. *Appeals.*

When the Assembly had voted the sum to be raised by the *contribution fonciere*, they proceeded to divide this amongst the eighty-three departments; after which each department assigned to its several districts their respective quotas; which they again distributed

among the municipalities included in their territory. The Assembly had the means of ascertaining pretty exactly the sums which, under the ancient division of the kingdom, had been paid by the several provinces into the royal treasury, but they could not know so exactly the whole burthens which the provinces had actually borne, on account of the different methods in which taxes were levied, the different proportions of privileged proprietors, &c.; neither could they exactly allow for the effects of the new distribution into departments. The same sources of uncertainty were likely to affect the assessment of the administrations in the departments, districts, and communes; and for this reason a farther tax of one sous per livre (or as we should say, a shilling in the pound) was added to the land tax, and formed into a fund called the *fonds des non valeurs*, for the purpose of satisfying the claims of such proprietors, municipalities, districts, or departments as should have been over-rated in their assessment. Of this fund two-thirds were at the disposal of the legislature for the relief of the distressed departments, and one-third was kept in the departments for the satisfaction of claims made on them by the districts and municipalities.

This chapter therefore directs the mode of proceeding in such appeals; which is, that individuals complaining of having been surcharged by their municipality, shall appeal to the directory of the district; that a commune shall appeal against its district to the directory of the department; that a similar complaint from a district shall be transmitted to all the other districts by the directory of the department, which shall, on their report, decide on the validity of the complaint, and transmit such decision, together with the motives on which it is grounded, to the National Assembly. Lastly, a department when over-rated, is to appeal immediately to the legislature.

5. *Collection.*

The sum allotted to each commune shall be publicly posted up, and the office of collecting the tax, shall be adjudged by the *council general* of the commune, to such person, capable of giving sufficient security, whose proposals shall have been accepted. The pay of such collector to be defrayed by a poundage on the amount of the tax. The tax shall be paid monthly, and in equal portions, into the hands of the collector. In the first week of every quarter he shall make out a list of all defaulters; which list, after examination by the municipality, shall be published and posted up: and such defaulters shall then become liable to pay interest on the sums owing, at the rate of five per cent.; for the payment of which their property shall be liable to be distrained; and if such property be of such a nature that it cannot be seized, the persons of the defaulters shall become liable.

The interests to go to the collector, who shall be obliged in all cases to make good his quarterly payments.

Such was th[illegible] December, 1790, [illegible] *fonciere*.

The other direct tax, established by the Constituent Assembly, was the *contribution mobiliaire*.

The principle on which it was formed was, that whereas a very large proportion of the public bur[illegible] was laid exclusively on landed-property, while the tax on licences (*patentes*) af[illegible] manufacturer, it seemed more equitable to levy a proportionate rate on [illegible]ere neither employed in cultivation nor in manufactures by means of a direct tax, [illegible] by duties on consumption: because the latter must fall indiscriminately on *all* consumers, and preclude the possibility of exonerating those who have already contributed their share to the general treasury. The difficulty was, how to ascertain, without the use of violent means, the approximate value of capitals, which the proprietors would of course be anxious to conceal; and then to determine the portion of income arising from such capitals, which might in equity be claimed for the public service. For this purpose the Assembly adopted the following expedient.

It is evident that every individual must be lodged: that in order to be lodged with tolerable comfort, the lower classes must sacrifice a considerable proportion of their annual subsistence; and that the ratio of the rent of the habitation to the income of the occupant must diminish according to the wealth of that occupant, although the precise value of this ratio cannot be ascertained. It is also evident, that the poorest citizen cannot be supposed to sacrifice, for the purpose of being lodged, so large a portion as one-half of his means of subsistence; and consequently, that if we estimate those means at twice the rent of his habitation, we shall be quite sure that we do not over-rate them. This estimation was assumed by the Assembly for the poorest citizens, whose lodgings were rated from 12 livres to 100 livres per annum. From this last sum to that of 12,000 livres, the rents were divided into eighteen classes, and their ratio to the supposed revenue of the inhabitants gradually diminished, till in the highest class it was assumed as $\frac{1}{12.5}$ of that revenue: that is, the revenue of any person whose house rent amounted to 12,000 was assumed to be = 12,000 multiplied by $12\frac{1}{2}$, or 150,000.

The tax, called *cotte mobiliaire* to be levied on this assumed revenue, was $\frac{1}{20}$th, to be increased if necessary to $\frac{1}{12}$th, which last proportion it was in no case to exceed.